

SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1001 be amended to read as follows:

- 1 Page 94, between lines 23 and 24, begin a new paragraph and insert:
- 2 "SECTION 38. IC 4-12-1-15.6 IS ADDED TO THE INDIANA
- 3 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2003]: **Sec. 15.6. (a) The Medicaid augmentation account is**
- 5 **created within the state general fund for the purpose of providing**
- 6 **money for Medicaid when the appropriation for Medicaid in the**
- 7 **biennial budget is insufficient to pay Medicaid claims.**
- 8 **(b) The account shall be administered by the budget agency.**
- 9 **Expenses of administering the account shall be paid from money in the**
- 10 **account.**
- 11 **(c) The account consists of the following:**
- 12 **(1) Pari-Mutuel pull tab wagering taxes paid under IC**
- 13 **4-31-7.6-7(c)(2)(A).**
- 14 **(2) Riverboat admissions taxes paid under IC 4-33-12-**
- 15 **6(1).**
- 16 **(d) The budget agency shall annually determine the amount of**
- 17 **money in addition to the appropriation for Medicaid needed to pay**
- 18 **Medicaid claims.**
- 19 **(e) The budget agency shall transfer the amount of money, up**
- 20 **to the entire balance, needed under subsection (d), from the Medicaid**
- 21 **augmentation account to the account from which Medicaid current**
- 22 **obligations are paid.**
- 23 **(f) Money in the Medicaid augmentation account is annually**
- 24 **appropriated for the purposes of this section.**
- 25 **(g) The treasurer of state shall invest the money in the account**
- 26 **not currently needed to meet the obligations of the account in the same**
- 27 **manner as other public money may be invested."**
- 28 **(h) Money in the account at the end of a state fiscal year**
- 29 **does not revert."**
- 30 Page 96, between lines 7 and 8 begin a new paragraph and
- 31 insert:
- 32 "SECTION 41. IC 4-31-1-2 IS AMENDED TO READ AS
- 33 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. The **purpose**

purposes of this article ~~is~~ are to:

- (1) permit pari-mutuel wagering on horse races in Indiana; ~~and to~~
- (2) **permit the sale of pari-mutuel pull tabs at racetracks and satellite facilities in Indiana;**
- (3) ensure that **the sale of pari-mutuel pull tabs and** pari-mutuel wagering on horse races in Indiana will be conducted with the highest of standards and the greatest level of integrity; **and**
- (4) **maximize and preserve state revenues generated from the various forms of permitted gaming and wagering by ensuring that the various forms of permitted gaming and wagering occur in different geographic regions of the state.**

SECTION 42. IC 4-31-2-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 1.5. "Allowed city" means a city that has a population that is greater than two hundred thousand (200,000).**

SECTION 43. IC 4-31-2-11.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 11.5. "Pari-mutuel pull tab" means a game offered to the public at a facility authorized under IC 4-33-7.5 in which a person who purchases a ticket or simulated ticket has the opportunity to share in a prize pool, multiple prize pools, or a shared prize pool.**

SECTION 44. IC 4-31-4-1.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 1.3. (a) This section does not apply to a person who satisfies all of the following:**

- (1) The person was issued a satellite facility license before January 2, 1996.
- (2) The person operated a satellite facility before January 2, 1996.
- (3) The person is currently operating the satellite facility under the license.

(b) A person may not operate under a satellite facility license unless both of the following apply:

- (1) The county fiscal body of the county in which the satellite facility will be operated has adopted an ordinance under section 2.5 of this chapter.
- (2) The person secures a license under IC 4-31-5.5.

(c) Notwithstanding any other provision of this article, subsection (b)(1) does not apply to a permit holder that:

- (1) **was issued a permit before July 1, 2003; and**
- (2) **operates or files an application to operate a satellite facility in an allowed city.**

SECTION 45. IC 4-31-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 2. (a) A county fiscal body may adopt an ordinance permitting the filing of applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county. However, before adopting the ordinance, the county fiscal body must:**

(1) conduct a public hearing on the proposed ordinance; and

(2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

(1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter; or

(2) amend an ordinance already adopted by the county fiscal body to require that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who has already been issued a permit under IC 4-31-5 before amendment of the ordinance.

(c) An ordinance adopted under this section authorizing a person to conduct pari-mutuel wagering on horse races at racetracks in the county may not be adopted or amended with the intent to restrict a permit holder's ability to sell pari-mutuel pull tabs under IC 4-31-7.5. An ordinance adopted by the county fiscal body permitting the sale of pari-mutuel pull tabs is not a requirement for the lawful sale of pari-mutuel pull tabs under IC 4-31-7.5.

SECTION 46. IC 4-31-4-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2.5. (a) A county fiscal body may adopt an ordinance permitting the filing of applications under IC 4-31-5.5 for operation of a satellite facility in the county. However, before adopting the ordinance, the county fiscal body must:

(1) conduct a public hearing on the proposed ordinance; and

(2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

(1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5.5 to operate a satellite facility in the county may be filed, the voters of the county must approve the operation of a satellite facility in the county under section 3 of this chapter; or

(2) amend an ordinance already adopted in the county to require that before applications under IC 4-31-5.5 to operate a satellite facility in the county may be filed, the voters of the county must approve the

1 operation of a satellite facility in the county under
2 section 3 of this chapter.

3 An ordinance adopted under this section may not be amended to apply
4 to a person who was issued a license under IC 4-31-5.5 before the
5 ordinance was amended.

6 **(c) Notwithstanding any other provision of this article, this**
7 **section does not apply to a permit holder that:**

- 8 **(1) was issued a permit before July 1, 2003; and**
9 **(2) operates or files an application to operate a**
10 **satellite facility in an allowed city.**

11 SECTION 47. IC 4-31-4-3 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) This section does
13 not apply to either of the following:

- 14 (1) A permit holder who satisfies all of the following:
15 (A) The permit holder was issued a permit
16 before January 2, 1996.
17 (B) The permit holder conducted live racing
18 before January 2, 1996.
19 (C) The permit holder is currently operating
20 under the permit.

- 21 (2) A person who satisfies all of the following:
22 (A) The person was issued a satellite facility
23 license before January 2, 1996.
24 (B) The person operated a satellite facility
25 before January 2, 1996.
26 (C) The person is currently operating the
27 satellite facility under the license.

28 (b) This section applies if either of the following apply:

- 29 (1) Both of the following are satisfied:
30 (A) An ordinance is adopted under section 2
31 or 2.5 of this chapter.
32 (B) The ordinance requires the voters of the
33 county to approve either of the following:
34 (i) The conducting of horse racing
35 meetings in the county.
36 (ii) The operation of a satellite
37 facility in the county.

38 (2) A local public question is required to be held
39 under section 2.7 of this chapter following the filing
40 of a petition with the circuit court clerk:

- 41 (A) signed by at least the number of
42 registered voters of the county required under
43 IC 3-8-6-3 to place a candidate on the ballot;
44 and
45 (B) requesting that the local public question
46 set forth in subsection (d) be placed on the
47 ballot.

48 (c) Notwithstanding any other provision of this article, the
49 commission may not issue a recognized meeting permit under
50 IC 4-31-5 to allow the conducting of or the assisting of the conducting

1 of a horse racing meeting unless the voters of the county in which the
 2 property is located have approved conducting recognized meetings in
 3 the county.

4 (d) For a local public question required to be held under
 5 subsection (c), the county election board shall place the following
 6 question on the ballot in the county during the next general election:

7 "Shall horse racing meetings at which pari-mutuel
 8 wagering occurs be allowed in _____
 9 County?"

10 (e) Notwithstanding any other provision of this article, the
 11 commission may not issue a satellite facility license under IC 4-31-5.5
 12 to operate a satellite facility unless the voters of the county in which the
 13 satellite facility will be located approve the operation of the satellite
 14 facility in the county.

15 (f) For a local public question required to be held under
 16 subsection (e), the county election board shall place the following
 17 question on the ballot in the county during the next general election:

18 "Shall satellite facilities at which pari-mutuel
 19 wagering occurs be allowed in _____
 20 County?"

21 (g) A public question under this section must be certified in
 22 accordance with IC 3-10-9-3 and shall be placed on the ballot in
 23 accordance with IC 3-10-9.

24 (h) The circuit court clerk of a county holding an election
 25 under this chapter shall certify the results determined under
 26 IC 3-12-4-9 to the commission and the department of state revenue.

27 (i) If a public question is placed on the ballot under subsection
 28 (d) or (f) in a county and the voters of the county do not vote in favor
 29 of the public question, a second public question under that subsection
 30 may not be held in the county for at least two (2) years. If the voters of
 31 the county vote to reject the public question a second time, a third or
 32 subsequent public question under that subsection may not be held in
 33 the county until the general election held during the tenth year
 34 following the year of the previous public question held under that
 35 subsection.

36 **(j) Notwithstanding any other provision of this article, this**
 37 **section does not apply to a permit holder that:**

- 38 **(1) was issued a permit before July 1, 2003; and**
 39 **(2) operates or files an application to operate a**
 40 **satellite facility in an allowed city.**

41 SECTION 48. IC 4-31-5-6 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) The commission
 43 may not issue a recognized meeting permit unless the applicant has
 44 filed with the commission:

- 45 (1) a financial statement prepared and certified by a
 46 certified public accountant in accordance with sound
 47 accounting practices, showing the net worth of the
 48 applicant;
 49 (2) a statement from the department of state revenue
 50 and the treasurer of state that there are no pari-mutuel

taxes or other obligations owed by the applicant to the state or any of its departments or agencies;

(3) a statement from the county treasurer of the county in which the applicant proposes to conduct horse racing meetings that there are no real or personal property taxes owed by any of the principals seeking the permit; and

(4) a statement of obligations that are owed or being contested, including salaries, purses, entry fees, laboratory fees, and debts owed to vendors and suppliers.

(b) In addition to the requirements of subsection (a), the commission may not issue a recognized meeting permit for a recognized meeting to occur in a county unless IC 4-31-4 has been satisfied.

(c) In addition to the requirements of subsections (a) and (b), the commission may not issue a recognized meeting permit for a recognized meeting to occur at a location within thirty (30) linear miles of a location for which another permit holder has been issued a recognized meeting permit for a recognized meeting to occur.

SECTION 49. IC 4-31-5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. **Except as provided in IC 4-31-7.5 or IC 4-31-7.6**, any fees or penalties collected by the commission under IC 4-31-3-9(1)(E) through IC 4-31-3-9(1)(G) shall be paid into the state general fund.

SECTION 50. IC 4-31-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) As used in this section, "live racing day" means a day on which at least eight (8) live horse races are conducted.

(b) The commission's authority to issue satellite facility licenses is subject to the following conditions:

(1) The commission may issue ~~four (4)~~ **two (2)** satellite facility licenses to each permit holder that:

(A) conducts at least one hundred twenty (120) live racing days per year at the racetrack designated in the permit holder's permit; and

(B) meets the other requirements of this chapter and the rules adopted under this chapter.

If a permit holder that operates satellite facilities does not meet the required minimum number of live racing days, the permit holder may not operate the permit holder's satellite facilities during the following year. However, the requirement for one hundred twenty (120) live racing days does not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or other event over which the permit holder has no control. In addition, if the

initial racing meeting conducted by a permit holder commences at such a time as to make it impractical to conduct one hundred twenty (120) live racing days during the permit holder's first year of operations, the commission may authorize the permit holder to conduct simulcast wagering during the first year of operations with fewer than one hundred twenty (120) live racing days.

(2) Each proposed satellite facility must be covered by a separate application. The timing for filing an initial application for a satellite facility license shall be established by the rules of the commission.

(3) A satellite facility must:

(A) have full dining service available;

(B) have multiple screens to enable each patron to view simulcast races; and

(C) be designed to seat comfortably a minimum of four hundred (400) persons.

(4) In determining whether a proposed satellite facility should be approved, the commission shall consider the following:

(A) The purposes and provisions of this chapter.

(B) The public interest.

(C) The impact of the proposed satellite facility on live racing.

(D) The impact of the proposed satellite facility on the local community.

(E) The potential for job creation.

(F) The quality of the physical facilities and the services to be provided at the proposed satellite facility.

(G) Any other factors that the commission considers important or relevant to its decision.

(5) The commission may not issue a license for a satellite facility to be located in a county unless IC 4-31-4 has been satisfied.

(6) Satellite facilities are limited to the following locations:

(A) An allowed city.

(B) A city, other than an allowed city, in which the permit holder's satellite facility operations began before March 1, 2003.

(7) A permit holder may not hold more than one license issued for the operation of a satellite facility in an allowed city, unless the permit holder holds a license issued for the operation of a satellite facility in an allowed city jointly with another permit holder.

(c) The number of licenses issued for the operation of a satellite facility in the allowed cities may not exceed two (2). However, an allowed city may not contain more than one (1) satellite facility. A license issued for the operation of a satellite facility in an allowed city may be jointly held by more than one (1) permit holder.

(d) Notwithstanding any other provision of this chapter, a permit holder licensed to sell pari-mutuel pull tabs under IC 4-31-7.5 shall surrender any satellite facility license held by the permit holder for the operation of a satellite facility at any location other than a location specified in subsection (b)(6).

(e) If:

- (1) a permit holder is issued a license under IC 4-31-7.5 to sell pari-mutuel pull tabs at a satellite facility located in an allowed city; and
- (2) the permit holder is operating a satellite facility in an allowed city under a license issued before March 1, 2003;

the permit holder shall cease operations at the satellite facility described in subdivision (2) and surrender the license under which the satellite facility had been operated before commencing operations at a satellite facility licensed to sell pari-mutuel pull tabs.

SECTION 51. IC 4-31-5.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. A permit holder or group of permit holders that is authorized to operate satellite facilities may accept and transmit pari-mutuel wagers on horse racing at those facilities and may engage in all activities necessary to establish and operate appropriate satellite wagering facilities, including the following:

- (1) Live simulcasts of horse racing conducted at the permit holder's racetrack or at other racetracks. However, a satellite facility operated by a permit holder may not simulcast races conducted in other states on any day that is not a live racing day (as defined in section 3 of this chapter) unless the satellite facility also simulcasts all available races conducted in Indiana on that day.
- (2) Construction or leasing of satellite wagering facilities.
- (3) Sale of food and beverages.
- (4) Advertising and promotion.
- (5) **Sale of pari-mutuel pull tabs authorized under IC 4-31-7.5.**
- (6) All other related activities.

SECTION 52. IC 4-31-5.5-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 7. A zoning ordinance that permits real property to be used as a racetrack for the purpose of conducting live pari-mutuel horse racing must be construed to**

1 authorize the permit holder to operate a satellite facility on the real
 2 property. An ordinance described in this section may not be
 3 amended to prohibit the permit holder from operating a satellite
 4 facility on the real property.

5 SECTION 53. IC 4-31-7-1 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) A person holding
 7 a permit to conduct a horse racing meeting or a license to operate a
 8 satellite facility may provide a place in the racing meeting grounds or
 9 enclosure or the satellite facility at which the person may conduct and
 10 supervise the pari-mutuel system of wagering by patrons of legal age
 11 on the horse races conducted or simulcast by the person. The person
 12 may not permit or use:

13 (1) another place other than that provided and
 14 designated by the person; or

15 (2) another method or system of betting or wagering.

16 **However, a person holding a permit to conduct a horse racing**
 17 **meeting may permit wagering on pari-mutuel pull tabs at the**
 18 **person's racetrack or satellite facility as permitted by IC 4-31-7.5.**

19 (b) Except as provided in section 7 of this chapter and
 20 IC 4-31-5.5, the pari-mutuel system of wagering may not be conducted
 21 on any races except the races at the racetrack, grounds, or enclosure for
 22 which the person holds a permit.

23 SECTION 54. IC 4-31-7-2 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) A person less
 25 than eighteen (18) years of age may not wager at a horse racing
 26 meeting.

27 (b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of
 28 age may not enter the grandstand, clubhouse, or similar areas of a
 29 racetrack at which wagering is permitted unless accompanied by a
 30 person who is at least twenty-one (21) years of age.

31 (c) A person less than eighteen (18) years of age may not enter
 32 a satellite facility.

33 **(d) A person less than twenty-one (21) years of age may not**
 34 **enter the part of a satellite facility or racetrack in which**
 35 **pari-mutuel pull tabs are sold and redeemed.**

36 SECTION 55. IC 4-31-7.5 IS ADDED TO THE INDIANA
 37 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 38 [EFFECTIVE JULY 1, 2003]:

39 Chapter 7.5. Pari-Mutuel Pull Tabs

40 Sec. 1. (a) This chapter applies only to the sale of
 41 pari-mutuel pull tabs by a person that holds a permit to conduct a
 42 pari-mutuel horse racing meeting issued under IC 4-31-5.

43 (b) This chapter does not apply to the sale of pull tabs by
 44 a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

45 Sec. 2. The Indiana gaming commission shall regulate and
 46 administer the sale, purchase, and redemption of pari-mutuel pull
 47 tab tickets under this chapter.

48 Sec. 3. (a) The Indiana gaming commission shall adopt
 49 rules under IC 4-22-2, including emergency rules under
 50 IC 4-22-2-37.1, to implement this chapter, including rules that

1 prescribe:

- 2 (1) an approval process for pari-mutuel pull tab
- 3 games that requires periodic testing of the games
- 4 and equipment by an independent entity under the
- 5 oversight of the commission to ensure the integrity
- 6 of the games to the public;
- 7 (2) a system of internal audit controls;
- 8 (3) a method of payment for pari-mutuel pull tab
- 9 prizes that allows a player to transfer credits from
- 10 one (1) terminal or device to another;
- 11 (4) a method of payment for pari-mutuel pull tab
- 12 prizes that allows a player to redeem a winning
- 13 ticket for additional play tickets or credit to permit
- 14 purchase of additional play tickets;
- 15 (5) requirements for a license to sell pari-mutuel
- 16 pull tabs that a permit holder must obtain from
- 17 the commission before selling pari-mutuel pull
- 18 tabs;
- 19 (6) a voluntary exclusion program; and
- 20 (7) any other procedure or requirement necessary
- 21 for the efficient and economical operation of the
- 22 pari-mutuel pull tab games and the convenience of
- 23 the public.

24 (b) The Indiana gaming commission may enter into a
 25 contract with the Indiana horse racing commission for the
 26 provision of services necessary to administer pari-mutuel pull tab
 27 games.

28 Sec. 4. (a) The Indiana gaming commission may issue a
 29 license to a permit holder to sell pari-mutuel pull tabs under this
 30 chapter at the locations described in section 9 of this chapter. To
 31 obtain a license under this section, a permit holder must submit an
 32 application on a form prescribed by the Indiana gaming
 33 commission.

34 (b) Before issuing a license to a permit holder under this
 35 section, the Indiana gaming commission shall subject the permit
 36 holder to a background investigation similar to a background
 37 investigation required of an applicant for a riverboat owner's
 38 license under IC 4-33-6.

39 (c) An initial pari-mutuel pull tab license expires five (5)
 40 years after the effective date of the license. Unless the pari-mutuel
 41 pull tab license is terminated or revoked, the pari-mutuel pull tab
 42 license may be renewed annually thereafter upon:

- 43 (1) the payment of an annual renewal fee
- 44 determined by the Indiana gaming commission;
- 45 and
- 46 (2) a determination by the Indiana gaming
- 47 commission that the permit holder satisfies the
- 48 conditions of this chapter.

49 (d) A permit holder holding a pari-mutuel pull tab license
 50 shall undergo a complete investigation every three (3) years to

determine that the permit holder remains in compliance with this article.

(e) Notwithstanding subsection (d), the Indiana gaming commission may investigate a permit holder at any time the commission determines it is necessary to ensure that the permit holder remains in compliance with this article.

(f) The permit holder shall bear the cost of an investigation or a reinvestigation of the permit holder and any investigation resulting from a potential transfer of ownership.

(g) The Indiana gaming commission may not issue a license under this chapter unless the permit holder has executed an agreement with the mayor of an allowed city concerning the conditions under which the city and the permit holder agree that a satellite facility should be located and operated in the city. An agreement under this subsection:

(1) must promote the public health, safety, and welfare of the city;

(2) may include provisions for revenue sharing, grants, housing development, employment opportunities, investment, assistance with the satellite facility, use of revenues, and any other terms and conditions mutually agreed upon; and

(3) must be executed before April 1, 2004.

An agreement executed under this subsection is binding upon the issuance of a license under this chapter by the Indiana gaming commission, subject to the other provisions of this chapter. The agreement may not supersede any applicable zoning laws. The permit holder is under a continuing duty to remain in compliance with the terms of the agreement executed under this subsection to retain the permit holder's pari-mutuel pull tab license. The Indiana gaming commission may revoke a pari-mutuel pull tab license for noncompliance with the terms of an agreement executed under this subsection.

(h) Money received by any unit of government under an agreement executed under subsection (g) is considered miscellaneous revenue. The money may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 or IC 6-1.1-19, but may be used at the discretion of the unit to reduce the property tax levy for a particular year. The money may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4. In the case of an allowed city subject to IC 36-7-15.1-35.5, the agreement executed under subsection (g) must dedicate at least twenty percent (20%) of the money received under the agreement to the housing trust fund established under IC 36-7-15.1-35.5(e).

(i) Notwithstanding any other law, a permit holder may not sell pari-mutuel pull tabs at the permit holder's race track until the permit holder has executed an agreement with the mayor of an allowed city under subsection (g).

Sec. 5. The Indiana gaming commission may assess an

1 administrative fee to a permit holder offering pari-mutuel pull tab
 2 games in an amount that allows the commission to recover all of
 3 the commission's costs of administering the pari-mutuel pull tab
 4 games.

5 Sec. 6. A pari-mutuel pull tab game must be conducted in
 6 the following manner:

7 (1) Each set of tickets must have a predetermined:

8 (A) total purchase price; and

9 (B) amount of prizes.

10 (2) Randomly ordered pari-mutuel pull tab tickets
 11 may be distributed from an approved location or
 12 from a distribution device to:

13 (A) the permit holder at the permit
 14 holder's racetrack or satellite facility, or
 15 both; or

16 (B) a terminal or device of the permit
 17 holder at the permit holder's racetrack or
 18 satellite facility, or both.

19 (3) A pari-mutuel pull tab ticket must be presented
 20 to a player in the form of a paper ticket or display
 21 on a terminal or device.

22 (4) Game results must be initially covered or
 23 otherwise concealed from view on the pari-mutuel
 24 pull tab ticket, terminal, or device so that the
 25 number, letter, symbol, or set of numbers, letters,
 26 or symbols cannot be seen until the concealing
 27 medium is removed.

28 (5) A winner is identified after the display of the
 29 game results when a player removes the concealing
 30 medium of the pari-mutuel pull tab ticket or
 31 display on a terminal or device.

32 (6) A winner shall receive the prize or prizes
 33 posted or displayed for the game from the permit
 34 holder.

35 Sec. 7. A person less than twenty-one (21) years of age may
 36 not purchase a pari-mutuel pull tab ticket.

37 Sec. 8. The sale price of a pari-mutuel pull tab ticket may
 38 not exceed ten dollars (\$10).

39 Sec. 9. The sale, purchase, and redemption of pari-mutuel
 40 pull tab tickets are limited to the following locations:

41 (1) A live pari-mutuel horse racing facility licensed
 42 under this article.

43 (2) A satellite facility licensed under this article
 44 located in an allowed city.

45 Sec. 10. A permit holder may not install more than:

46 (1) seven hundred fifty (750) pull tab terminals or
 47 devices on the premises of the permit holder's live
 48 pari-mutuel horse racing facility; and

49 (2) one thousand five hundred (1,500) pull tab
 50 terminals or devices on the premises of the permit

1 holder's satellite facility located in an allowed city.

2 Sec. 11. The number and amount of the prizes in a
3 pari-mutuel pull tab game must be finite but may not be limited.

4 Sec. 12. A list of prizes for winning pari-mutuel pull tab
5 tickets must be posted or displayed at a location where the tickets
6 are sold.

7 Sec. 13. A permit holder may close a pari-mutuel pull tab
8 game at any time.

9 Sec. 14. A terminal or device selling pari-mutuel pull tab
10 tickets may be operated by a player without the assistance of the
11 permit holder for the sale and redemption of pari-mutuel pull tab
12 tickets.

13 Sec. 15. A terminal or device selling pari-mutuel pull tab
14 tickets may not dispense coins or currency as prizes for winning
15 tickets. Prizes awarded by a terminal or device must be in the form
16 of credits for additional play or certificates redeemable for cash or
17 prizes.

18 Sec. 16. All shipments of gambling devices, including
19 pari-mutuel pull tab machines, to permit holders in Indiana, the
20 registering, recording, and labeling of which have been completed
21 by the manufacturer or dealer in accordance with 15 U.S.C. 1171
22 through 15 U.S.C. 1178, are legal shipments of gambling devices
23 into Indiana.

24 Sec. 17. Under 15 U.S.C. 1172, approved January 2, 1951,
25 the state of Indiana, acting by and through elected and qualified
26 members of the general assembly, declares that the state is exempt
27 from 15 U.S.C. 1172.

28 Sec. 18. (a) This section applies if a permit holder's
29 employees are covered under the terms of a collective bargaining
30 agreement that is in effect at the time the permit holder is licensed
31 to offer pari-mutuel pull tab wagering under this chapter.

32 (b) If a permit holder has nonsupervisory employees whose
33 work is:

- 34 (1) directly related to:
35 (A) pari-mutuel terminal operations; or
36 (B) money room functions associated with
37 pari-mutuel wagering; and
38 (2) covered under the terms of a collective
39 bargaining agreement;
40 the permit holder shall, subject to subsection (c), staff
41 nonsupervisory positions directly related to the operation of
42 pari-mutuel pull tab wagering under this chapter with employees
43 described in subsection (c).

44 (c) The employees described in subsection (b) must be
45 qualified to meet the licensing requirements of this chapter and any
46 criteria required by the gaming commission in rules adopted under
47 IC 4-22-2.

48 Sec. 19. The job classifications, job duties, wage rates, and
49 benefits of nonsupervisory positions related to pari-mutuel pull tab
50 wagering may be established by agreement of the parties to a

1 collective bargaining agreement, or in the absence of an agreement,
2 by the permit holder.

3 Sec. 20. (a) The Indiana gaming commission may eject or
4 exclude or authorize the ejection or exclusion of a person from a
5 pari-mutuel pull tab wagering facility if:

6 (1) the person's name is on the list of persons
7 voluntarily excluding themselves from all
8 pari-mutuel pull tab facilities in a program
9 established under the rules of the Indiana gaming
10 commission;

11 (2) the person violates this chapter; or

12 (3) the Indiana gaming commission determines
13 that the person's conduct or reputation is such that
14 the person's presence within the pari-mutuel pull
15 tab wagering facility may:

16 (A) call into question the honesty and
17 integrity of the pari-mutuel pull tab
18 operations; or

19 (B) interfere with the orderly conduct of
20 the pari-mutuel pull tab operations.

21 (b) A person may petition the Indiana gaming commission
22 for a hearing on the person's ejection or exclusion under this
23 section.

24 SECTION 56. IC 4-31-7.6 IS ADDED TO THE INDIANA
25 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2003]:

27 **Chapter 7.6. Taxation of Pari-Mutuel Pull Tabs and Fees**

28 **Sec. 1. (a) This chapter applies only to the lawful sale of**
29 **pari-mutuel pull tabs by a person that:**

30 (1) holds a permit to conduct a pari-mutuel horse
31 racing meeting issued under IC 4-31-5; and

32 (2) is authorized to sell pari-mutuel pull tabs under
33 IC 4-31-7.5.

34 (b) This chapter does not apply to the sale of pull tabs by
35 a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

36 **Sec. 2. As used in this chapter, "adjusted gross receipts"**
37 **means:**

38 (1) the total of all cash and property (including
39 checks received by a permit holder, whether
40 collected or not) received by a permit holder from
41 pari-mutuel pull tab sales; minus

42 (2) the total of:

43 (A) all cash paid out to patrons as
44 winnings for pari-mutuel pull tabs; and

45 (B) uncollectible pari-mutuel pull tab
46 receivables, not to exceed the lesser of:

47 (i) a reasonable provision for
48 uncollectible patron checks
49 received from pari-mutuel pull
50 tab sales; or

(ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out to patrons as winnings for pari-mutuel pull tabs.

For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the permit holder from pari-mutuel pull tab sales.

Sec. 3. As used in this chapter, "county resident student" means a student enrolled in a school corporation who resides in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000).

Sec. 4. As used in this chapter, "net receipts" means a permit holder's adjusted gross receipts minus any taxes paid under section 6 of this chapter.

Sec. 5. As used in this chapter, "school corporation" has the meaning set forth in IC 36-1-2-17.

Sec. 6. (a) A tax is imposed on the adjusted gross receipts received from the sale of pari-mutuel pull tabs authorized under this article at the rate of thirty-one percent (31%).

(b) The permit holder shall remit the tax imposed by this section to the department before the close of the business day following the day the pari-mutuel pull tabs are sold.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the permit holder to file a monthly report to reconcile the amounts remitted to the department.

(e) The department may allow taxes remitted under this section to be reported on the same form used for taxes paid under IC 4-31-9.

Sec. 7. (a) The state pull tab wagering fund is established. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) The department shall deposit tax revenue collected under section 6 of this chapter in the state pull tab wagering fund.

(c) Before the fifteenth day of each month, the treasurer of state shall distribute the tax revenue deposited in the state pull tab wagering fund under this section in the preceding months as follows:

(1) Thirty percent (30%) of the tax revenue remitted by each permit holder's racetrack shall be paid as follows:

(A) In the case of a racetrack that is located in a county having a population of more than one hundred thirty thousand

(130,000) but less than one hundred forty-five thousand (145,000), the tax revenue remitted by the racetrack shall be paid as follows:

(i) Fifty-eight percent (58%) to a city having a population of more than fifty-nine thousand seven hundred (59,700) but less than sixty-five thousand (65,000).

(ii) Seventeen percent (17%) to the capital projects fund of the county for distribution by the county legislative body.

(iii) Seventeen percent (17%) to the school corporations located in the county. The tax revenue distributed under this item must be divided among the school corporations on a pro rata basis according to the ratio the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county. Revenue received by a school corporation under this item is considered miscellaneous revenue.

(iv) Eight percent (8%) to the incorporated cities and towns located in the county other than a city described in item (i). The tax revenue distributed under this item must be divided among the cities and towns on a pro rata basis according to the ratio the population of each city or town bears to the total population of the county minus the population of a city described in item (i).

(B) In the case of a racetrack that is located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000), the tax revenues remitted by the racetrack shall be paid as follows:

(i) Forty-one and five-tenths percent (41.5%) to the county.

(ii) Forty-one and five-tenths percent (41.5%) to a city having a population of more than seventeen thousand nine hundred (17,900) but less than eighteen thousand one hundred (18,100).

(iii) Seventeen and five-tenths percent (17.5%) to the school corporations located in the county. The tax revenue distributed under this item must be divided among the school corporations on a pro rata basis according to the ratio the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county. Revenue received by a school corporation under this item is considered miscellaneous revenue.

(2) After the distributions required under subdivision (1) are made, the remainder of the tax revenues deposited in the state pull tab wagering fund shall be paid as follows:

(A) Fifty percent (50%) shall be paid to the Medicaid augmentation fund, established under I.C. 4-12-1-15.6.

(B) Fifty percent (50%) shall be set aside for revenue sharing under subsection (d).

(d) Before August 15, 2004, and each year thereafter, the treasurer of state shall distribute the money deposited in the state pull tab wagering fund and set aside for revenue sharing under subsection (c)(2)(B) to the county treasurer of each county that does not have a riverboat or a satellite facility authorized to sell pari-mutuel pull tabs according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat or a satellite facility authorized to sell pari-mutuel pull tabs. The county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions

(1) and (2) are made, the remainder shall be retained by the county.

(e) Money received by a city, town, or county under subsection (d):

(1) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5, but may be used at the discretion of the unit to reduce the property tax levy for a particular year;

(2) may be used for any legal or corporate purpose, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(3) is considered miscellaneous revenue.

Sec. 8. (a) Before the fifteenth day of each month a permit holder shall pay a fee to the commission for the promotion of horse racing that is equal to the percentage set forth in subsection (b) of the permit holder's net receipts from the preceding month.

(b) The fee required under subsection (a) is equal to the following percentages of the permit holder's net receipts:

| | |
|---------------------------------|--------|
| Year 1 | 9% |
| Year 2 | 15% |
| Year 3 and each year thereafter | 19.25% |

(c) Money paid to the commission under this section must be distributed as follows:

(1) At least two hundred fifty thousand dollars (\$250,000) but not more than one percent (1%) is to be distributed in equal amounts for the support and operation of the following horsemen's associations (as defined in IC 4-31-8-6):

(A) The horsemen's associations representing the standardbred owners and trainers.

(B) The horsemen's associations representing the thoroughbred owners and trainers.

(C) The horsemen's associations representing the quarterhorse owners and trainers.

(2) The remainder is to be distributed, in amounts determined by the commission, for the promotion and operation of horse racing, as follows:

(i) To a breed development fund established by the commission under IC 4-31-11-10.

(ii) To each racetrack that has been approved by the commission under this article. The commission may make a grant under this item only for purses, promotions, and routine operations.

Sec. 9. (a) The commission shall annually impose a supplemental fee of two hundred fifty thousand dollars (\$250,000) upon each permit holder operating a racetrack under this article.

(b) Fifty percent (50%) of the annual fees collected under this section must be used for training facilities and capital improvements, including stall improvements.

(c) Fifty percent (50%) of the annual fees collected under this section must be used to promote live racing at county and 4-H

1 **fairgrounds.**

2 SECTION 57. IC 4-31-9-1 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. A person that holds
4 a permit to conduct a horse racing meeting or a license to operate a
5 satellite facility shall withhold:

6 (1) eighteen percent (18%) of the total of money wagered on each
7 day at the racetrack or satellite facility (including money wagered
8 on exotic wagering pools **but excluding money wagered on**
9 **pari-mutuel pull tabs under IC 4-31-7.5**); plus

10 (2) an additional three and one-half percent (3.5%) of the total of
11 all money wagered on exotic wagering pools on each day at the
12 racetrack or satellite facility.

13 SECTION 58. IC 4-32-15-1 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. An excise tax is
15 imposed on the distribution of pull tabs (**excluding pari-mutuel pull**
16 **tabs under IC 4-31-7.5**), punchboards, and tip boards in the amount
17 of ten percent (10%) of the wholesale price for the pull tabs,
18 punchboards, and tip boards.

19 SECTION 59. IC 4-33-2-16.3 IS ADDED TO THE INDIANA
20 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2003]: **Sec. 16.3. "Pari-mutuel pull tab" has**
22 **the meaning set forth in IC 4-31-2-11.5.**

23 SECTION 60. IC 4-33-4-2 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. The commission
25 shall adopt rules under IC 4-22-2 for the following purposes:

- 26 (1) Administering this article.
27 (2) Establishing the conditions under which riverboat gambling
28 in Indiana may be conducted.
29 (3) Providing for the prevention of practices detrimental to the
30 public interest and providing for the best interests of riverboat
31 gambling.
32 (4) With respect to riverboats that operate on Patoka Lake,
33 ensuring:
34 (A) the prevention of practices detrimental to the natural
35 environment and scenic beauty of Patoka Lake; and
36 (B) compliance by licensees and riverboat patrons with the
37 requirements of IC 14-26-2-5 and IC 14-28-1.
38 (5) Establishing rules concerning inspection of riverboats and the
39 review of the permits or licenses necessary to operate a riverboat.
40 (6) Imposing penalties for noncriminal violations of this article.
41 **(7) Establishing the conditions under which the sale, purchase,**
42 **and redemption of pari-mutuel pull tabs may be conducted**
43 **under IC 4-31-7.5.**

44 SECTION 61. IC 4-33-7.5 IS ADDED TO THE INDIANA CODE
45 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
46 JULY 1, 2003]:

47 **Chapter 7.5. Pari-Mutuel Pull Tab Suppliers**

48 **Sec. 1. The commission may issue a supplier's license under this**
49 **chapter to a person if:**

- 50 (1) the person has:

- 1 (A) applied for the supplier's license;
- 2 (B) paid a nonrefundable application fee set by the
- 3 commission;
- 4 (C) paid a five thousand dollar (\$5,000) annual license fee;
- 5 and
- 6 (D) submitted on forms provided by the commission:
 - 7 (i) if the applicant is an individual, two (2) sets of the
 - 8 individual's fingerprints; and
 - 9 (ii) if the applicant is not an individual, two (2) sets of
 - 10 fingerprints for each officer and director of the
 - 11 applicant; and
 - 12 (2) the commission has determined that the applicant is
 - 13 eligible for a supplier's license.

14 **Sec. 2. (a) A person holding a supplier's license may sell, lease,**
 15 **and contract to sell or lease pari-mutuel pull tab terminals and**
 16 **devices to a permit holder authorized to sell and redeem**
 17 **pari-mutuel pull tab tickets under IC 4-31-7.5.**

18 **(b) Pari-mutuel pull tab terminals and devices may not be**
 19 **distributed unless the terminals and devices conform to standards**
 20 **adopted by the commission.**

21 **Sec. 3. A person may not receive a supplier's license if:**

- 22 (1) the person has been convicted of a felony under Indiana
- 23 law, the laws of any other state, or laws of the United States;
- 24 (2) the person has knowingly or intentionally submitted an
- 25 application for a license under this chapter that contains false
- 26 information;
- 27 (3) the person is a member of the commission;
- 28 (4) the person is an officer, a director, or a managerial
- 29 employee of a person described in subdivision (1) or (2);
- 30 (5) the person employs an individual who:
 - 31 (A) is described in subdivision (1), (2), or (3); and
 - 32 (B) participates in the management or operation of
 - 33 gambling operations authorized under this article;
 - 34 (6) the person owns more than a ten percent (10%) ownership
 - 35 interest in any other person holding a permit issued under
 - 36 IC 4-31; or
 - 37 (7) a license issued to the person:
 - 38 (A) under this article; or
 - 39 (B) to supply gaming supplies in another jurisdiction;
 - 40 has been revoked.

41 **Sec. 4. A person may not furnish pari-mutuel pull tab terminals**
 42 **or devices to a permit holder unless the person possesses a**
 43 **supplier's license.**

44 **Sec. 5. (a) A supplier shall furnish to the commission a list of all**
 45 **pari-mutuel pull tab terminals and devices offered for sale or lease**
 46 **in connection with the sale of pari-mutuel pull tab tickets**
 47 **authorized under IC 4-31-7.5.**

48 **(b) A supplier shall keep books and records for the furnishing**
 49 **of pari-mutuel pull tab terminals and devices to permit holders**
 50 **separate from books and records of any other business operated by**

1 the supplier.

2 (c) A supplier shall file a quarterly return with the commission
3 listing all sales and leases.

4 (d) A supplier shall permanently affix the supplier's name to all
5 the supplier's pari-mutuel pull tab terminals or devices provided
6 to permit holders under this chapter.

7 Sec. 6. A supplier's pari-mutuel pull tab terminals or devices
8 that are used by a person in an unauthorized gambling operation
9 shall be forfeited to the state.

10 Sec. 7. Pari-mutuel pull tab terminals and devices that are
11 provided by a supplier may be:

12 (1) repaired on the premises of a racetrack or satellite facility;
13 or

14 (2) removed for repair from the premises of a permit holder
15 to a facility owned by the permit holder.

16 Sec. 8. (a) Unless a supplier's license is suspended, expires, or is
17 revoked, the supplier's license may be renewed annually upon:

18 (1) the payment of a five thousand dollar (\$5,000) annual
19 renewal fee; and

20 (2) a determination by the commission that the licensee is in
21 compliance with this article.

22 (b) The holder of a supplier's license shall undergo a complete
23 investigation every three (3) years to determine that the licensee is
24 in compliance with this article.

25 (c) Notwithstanding subsection (b), the commission may
26 investigate the holder of a supplier's license at any time the
27 commission determines it is necessary to ensure that the licensee is
28 in compliance with this article.

29 (d) The holder of a supplier's license shall bear the cost of an
30 investigation or reinvestigation of the licensee and any
31 investigation resulting from a potential transfer of ownership.

32 SECTION 62. IC 4-33-10-1, AS AMENDED BY P.L.192-2002(ss),
33 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2003]: Sec. 1. (a) A person who knowingly or intentionally:

35 (1) makes a false statement on an application submitted under this
36 article;

37 (2) operates a gambling operation or a cruise in which wagering
38 is conducted or is to be conducted in a manner other than the
39 manner required under this article;

40 (3) permits a person less than twenty-one (21) years of age to
41 make a wager;

42 (4) aids, induces, or causes a person less than twenty-one (21)
43 years of age who is not an employee of the riverboat gambling
44 operation to enter or attempt to enter a riverboat;

45 (5) wagers or accepts a wager at a location other than a riverboat;
46 or

47 (6) makes a false statement on an application submitted to the
48 commission under this article or IC 4-31-7.5; or

49 (7) aids, induces, or causes a person less than twenty-one (21)
50 years of age who is not an employee of a pari-mutuel pull tab

operation licensed under IC 4-31-7.5 to enter or attempt to enter the pari-mutuel pull tab operation;

commits a Class A misdemeanor.

(b) A person who:

- (1) is not an employee of the riverboat gambling operation;
- (2) is less than twenty-one (21) years of age; and
- (3) knowingly or intentionally enters or attempts to enter a riverboat;

commits a Class A misdemeanor.

(c) A person who:

- (1) is not an employee of a pari-mutuel pull tab operation licensed under IC 4-31;**
- (2) is less than twenty-one (21) years of age; and**
- (3) knowingly or intentionally enters the pari-mutuel pull tab operation;**

commits a Class A misdemeanor.

SECTION 63. IC 4-33-12-6, AS AMENDED BY P.L.192-2002(ss), SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

- (1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

- (i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or
- (ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

- (2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

- (A) embarking on a gambling excursion during the quarter; or
- (B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).

- (3) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

- (A) embarking on a gambling excursion during the quarter; or
- (B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or

1 promotion fund for the county in which the riverboat is docked.

2 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
3 the admissions tax collected by the licensed owner for each
4 person:

5 (A) embarking on a gambling excursion during the quarter; or

6 (B) admitted to a riverboat during a quarter that has
7 implemented flexible scheduling under IC 4-33-6-21;

8 shall be paid to the state fair commission, for use in any activity
9 that the commission is authorized to carry out under IC 15-1.5-3.

10 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
11 admissions tax collected by the licensed owner for each person:

12 (A) embarking on a gambling excursion during the quarter; or

13 (B) admitted to a riverboat during the quarter that has
14 implemented flexible scheduling under IC 4-33-6-21;

15 shall be paid to the division of mental health and addiction. The
16 division shall allocate at least twenty-five percent (25%) of the
17 funds derived from the admissions tax to the prevention and
18 treatment of compulsive gambling.

19 (6) Except as provided in ~~subsection~~ **subsections (k) and (l)**,
20 sixty-five cents (\$0.65) of the admissions tax collected by the
21 licensed owner for each person embarking on a gambling
22 excursion during the quarter or admitted to a riverboat during the
23 quarter that has implemented flexible scheduling under
24 IC 4-33-6-21 shall be paid to the Indiana horse racing commission
25 to be distributed as follows, in amounts determined by the Indiana
26 horse racing commission, for the promotion and operation of
27 horse racing in Indiana:

28 (A) To one (1) or more breed development funds established
29 by the Indiana horse racing commission under IC 4-31-11-10.

30 (B) To a racetrack that was approved by the Indiana horse
31 racing commission under IC 4-31. The commission may make
32 a grant under this clause only for purses, promotions, and
33 routine operations of the racetrack. No grants shall be made
34 for long term capital investment or construction and no grants
35 shall be made before the racetrack becomes operational and is
36 offering a racing schedule.

37 (c) With respect to tax revenue collected from a riverboat that
38 operates on Patoka Lake, the treasurer of state shall quarterly pay the
39 following amounts:

40 (1) The counties described in IC 4-33-1-1(3) shall receive one
41 dollar (\$1) of the admissions tax collected for each person:

42 (A) embarking on a gambling excursion during the quarter; or

43 (B) admitted to the riverboat during the quarter (if the
44 riverboat has implemented flexible scheduling).

45 This amount shall be divided equally among the counties
46 described in IC 4-33-1-1(3).

47 (2) The Patoka Lake development account established under
48 IC 4-33-15 shall receive one dollar (\$1) of the admissions tax
49 collected for each person:

50 (A) embarking on a gambling excursion during the quarter; or

- 1 (B) admitted to the riverboat during the quarter (if the
 2 riverboat has implemented flexible scheduling).
- 3 (3) The resource conservation and development program that:
 4 (A) is established under 16 U.S.C. 3451 et seq.; and
 5 (B) serves the Patoka Lake area;
 6 shall receive forty cents (\$0.40) of the admissions tax collected
 7 for each person embarking on a gambling excursion during the
 8 quarter or admitted to the riverboat during the quarter (if the
 9 riverboat has implemented flexible scheduling).
- 10 (4) The state general fund shall receive fifty cents (\$0.50) of the
 11 admissions tax collected for each person:
 12 (A) embarking on a gambling excursion during the quarter; or
 13 (B) admitted to the riverboat during the quarter (if the
 14 riverboat has implemented flexible scheduling).
- 15 (5) The division of mental health and addiction shall receive ten
 16 cents (\$0.10) of the admissions tax collected for each person:
 17 (A) embarking on a gambling excursion during the quarter; or
 18 (B) admitted to the riverboat during the quarter (if the
 19 riverboat has implemented flexible scheduling).
- 20 The division shall allocate at least twenty-five percent (25%) of
 21 the funds derived from the admissions tax to the prevention and
 22 treatment of compulsive gambling.
- 23 (d) With respect to tax revenue collected from a riverboat that
 24 operates from a county having a population of more than four hundred
 25 thousand (400,000) but less than seven hundred thousand (700,000),
 26 the treasurer of state shall quarterly pay the following amounts:
- 27 (1) Except as provided in subsection (k), one dollar (\$1) of the
 28 admissions tax collected by the licensed owner for each person:
 29 (A) embarking on a gambling excursion during the quarter; or
 30 (B) admitted to a riverboat during the quarter that has
 31 implemented flexible scheduling under IC 4-33-6-21;
 32 shall be paid to the city in which the riverboat is docked.
- 33 (2) Except as provided in subsection (k), one dollar (\$1) of the
 34 admissions tax collected by the licensed owner for each person:
 35 (A) embarking on a gambling excursion during the quarter; or
 36 (B) admitted to a riverboat during the quarter that has
 37 implemented flexible scheduling under IC 4-33-6-21;
 38 shall be paid to the county in which the riverboat is docked.
- 39 (3) Except as provided in subsection (k), nine cents (\$0.09) of the
 40 admissions tax collected by the licensed owner for each person:
 41 (A) embarking on a gambling excursion during the quarter; or
 42 (B) admitted to a riverboat during the quarter that has
 43 implemented flexible scheduling under IC 4-33-6-21;
 44 shall be paid to the county convention and visitors bureau or
 45 promotion fund for the county in which the riverboat is docked.
- 46 (4) Except as provided in subsection (k), one cent (\$0.01) of the
 47 admissions tax collected by the licensed owner for each person:
 48 (A) embarking on a gambling excursion during the quarter; or
 49 (B) admitted to a riverboat during the quarter that has
 50 implemented flexible scheduling under IC 4-33-6-21;

1 shall be paid to the northwest Indiana law enforcement training
2 center.

3 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of
4 the admissions tax collected by the licensed owner for each
5 person:

6 (A) embarking on a gambling excursion during the quarter; or

7 (B) admitted to a riverboat during a quarter that has
8 implemented flexible scheduling under IC 4-33-6-21;

9 shall be paid to the state fair commission for use in any activity
10 that the commission is authorized to carry out under IC 15-1.5-3.

11 (6) Except as provided in subsection (k), ten cents (\$0.10) of the
12 admissions tax collected by the licensed owner for each person:

13 (A) embarking on gambling excursion during the quarter; or

14 (B) admitted to a riverboat during the quarter that has
15 implemented flexible scheduling under IC 4-33-6-21;

16 shall be paid to the division of mental health and addiction. The
17 division shall allocate at least twenty-five percent (25%) of the
18 funds derived from the admissions tax to the prevention and
19 treatment of compulsive gambling.

20 (7) Except as provided in ~~subsection~~ **subsections (k) and (l)**,
21 sixty-five cents (\$0.65) of the admissions tax collected by the
22 licensed owner for each person embarking on a gambling
23 excursion during the quarter or admitted to a riverboat during the
24 quarter that has implemented flexible scheduling under
25 IC 4-33-6-21 shall be paid to the Indiana horse racing commission
26 to be distributed as follows, in amounts determined by the Indiana
27 horse racing commission, for the promotion and operation of
28 horse racing in Indiana:

29 (A) To one (1) or more breed development funds established
30 by the Indiana horse racing commission under IC 4-31-11-10.

31 (B) To a racetrack that was approved by the Indiana horse
32 racing commission under IC 4-31. The commission may make
33 a grant under this clause only for purses, promotions, and
34 routine operations of the racetrack. No grants shall be made
35 for long term capital investment or construction, and no grants
36 shall be made before the racetrack becomes operational and is
37 offering a racing schedule.

38 (e) Money paid to a unit of local government under subsection
39 (b)(1) through (b)(2), (c)(1), or (d)(1) through (d)(2):

40 (1) must be paid to the fiscal officer of the unit and may be
41 deposited in the unit's general fund or riverboat fund established
42 under IC 36-1-8-9, or both;

43 (2) may not be used to reduce the unit's maximum levy under
44 IC 6-1.1-18.5, but may be used at the discretion of the unit to
45 reduce the property tax levy of the unit for a particular year;

46 (3) may be used for any legal or corporate purpose of the unit,
47 including the pledge of money to bonds, leases, or other
48 obligations under IC 5-1-14-4; and

49 (4) is considered miscellaneous revenue.

50 (f) Money paid by the treasurer of state under subsection (b)(3) or

- 1 (d)(3) shall be:
 2 (1) deposited in:
 3 (A) the county convention and visitor promotion fund; or
 4 (B) the county's general fund if the county does not have a
 5 convention and visitor promotion fund; and
 6 (2) used only for the tourism promotion, advertising, and
 7 economic development activities of the county and community.
 8 (g) Money received by the division of mental health and addiction
 9 under subsections (b)(5), (c)(5), and (d)(6):
 10 (1) is annually appropriated to the division of mental health and
 11 addiction;
 12 (2) shall be distributed to the division of mental health and
 13 addiction at times during each state fiscal year determined by the
 14 budget agency; and
 15 (3) shall be used by the division of mental health and addiction
 16 for programs and facilities for the prevention and treatment of
 17 addictions to drugs, alcohol, and compulsive gambling, including
 18 the creation and maintenance of a toll free telephone line to
 19 provide the public with information about these addictions. The
 20 division shall allocate at least twenty-five percent (25%) of the
 21 money received to the prevention and treatment of compulsive
 22 gambling.
 23 (h) This subsection applies to the following:
 24 (1) Each entity receiving money under subsection (b).
 25 (2) Each entity receiving money under subsection (d)(1) through
 26 (d)(2).
 27 (3) Each entity receiving money under subsection (d)(5) through
 28 (d)(7).
 29 The treasurer of state shall determine the total amount of money paid
 30 by the treasurer of state to an entity subject to this subsection during
 31 the state fiscal year 2002. The amount determined under this subsection
 32 is the base year revenue for each entity subject to this subsection. The
 33 treasurer of state shall certify the base year revenue determined under
 34 this subsection to each entity subject to this subsection.
 35 (i) This subsection applies to an entity receiving money under
 36 subsection (d)(3) or (d)(4). The treasurer of state shall determine the
 37 total amount of money paid by the treasurer of state to the entity
 38 described in subsection (d)(3) during state fiscal year 2002. The
 39 amount determined under this subsection multiplied by nine-tenths
 40 (0.9) is the base year revenue for the entity described in subsection
 41 (d)(3). The amount determined under this subsection multiplied by
 42 one-tenth (0.1) is the base year revenue for the entity described in
 43 subsection (d)(4). The treasurer of state shall certify the base year
 44 revenue determined under this subsection to each entity subject to this
 45 subsection.
 46 (j) For state fiscal years beginning after June 30, 2002, the total
 47 amount of money distributed to an entity under this section during a
 48 state fiscal year may not exceed the entity's base year revenue as
 49 determined under subsection (h) or (i). If the treasurer of state
 50 determines that the total amount of money distributed to an entity under

1 this section during a state fiscal year is less than the entity's base year
2 revenue, the treasurer of state shall make a supplemental distribution
3 to the entity under IC 4-33-13-5(f).

4 (k) For state fiscal years beginning after June 30, 2002, the treasurer
5 of state shall pay that part of the riverboat admissions taxes that:

- 6 (1) exceed a particular entity's base year revenue; and
 - 7 (2) would otherwise be due to the entity under this section;
- 8 to the property tax replacement fund instead of to the entity.

9 **(l) The maximum amount paid to the Indiana horse racing**
10 **commission under this section in a state fiscal year may not exceed**
11 **the remainder of:**

- 12 **(1) the Indiana horse racing commission's base year revenue**
13 **as determined under subsection (h); minus**
- 14 **(2) the amount of fees, if any, paid to the Indiana horse racing**
15 **commission under IC 4-31-7.6-8.**

16 **The treasurer of state shall pay the amount of the admissions taxes**
17 **equal to the amount of fees subtracted from the Indiana horse**
18 **racing commission's base year revenue under this subsection to the**
19 **Medicaid augmentation fund, established under I.C. 4-12-1-15.6,**
20 **instead of to the Indiana horse racing commission."**

21 Page 98, between lines 14 and 15, begin a new paragraph and insert:

22 "SECTION 64. IC 4-33-14-1 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. The general
24 assembly declares that the opportunity for full minority and women's
25 business enterprise participation in the riverboat ~~industry~~ **and**
26 **pari-mutuel pull tab industries** is essential if social and economic
27 parity is to be obtained by minority and women business persons and
28 if the economies of the riverboat ~~cities~~ **and pari-mutuel pull tab**
29 **communities** are to be stimulated as contemplated by this article **and**
30 **IC 4-31-7.5. In complying with this chapter, a licensed owner or**
31 **permit holder should give priority to minority and women's**
32 **business enterprises in the following order:**

- 33 **(1) Local enterprises.**
- 34 **(2) Enterprises located in Indiana and the region surrounding**
35 **the licensee's riverboat or pull tab facility.**
- 36 **(3) Indiana enterprises.**
- 37 **(4) National enterprises.**

38 SECTION 65. IC 4-33-14-1.5 IS ADDED TO THE INDIANA
39 CODE AS A NEW SECTION TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2003]: **Sec. 1.5. This chapter applies to:**

- 41 **(1) a licensed owner of a riverboat licensed under this article;**
42 **and**
- 43 **(2) a permit holder licensed to sell pari-mutuel pull tabs under**
44 **IC 4-31-7.5.**

45 SECTION 66. IC 4-33-14-5, AS AMENDED BY P.L.195-2001,
46 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
47 JULY 1, 2003]: Sec. 5. (a) As used in this section, "goods and services"
48 does not include the following:

- 49 (1) Utilities and taxes.
- 50 (2) Financing costs, mortgages, loans, or other debt.

(3) Medical insurance.

(4) Fees and payments to a parent or an affiliated company of the person holding an owner's license **or a pari-mutuel pull tab license**, other than fees and payments for goods and services supplied by nonaffiliated persons through an affiliated company for the use or benefit of the person holding the owner's license **or a pari-mutuel pull tab license**.

(5) Rents paid for real property or payments constituting the price of an interest in real property as a result of a real estate transaction.

(b) Notwithstanding any law or rule to the contrary, the commission shall establish annual goals for a person issued an owner's license **or a pari-mutuel pull tab license**:

(1) for the use of minority and women's business enterprises; and

(2) derived from a statistical analysis of utilization study of licensee contracts for goods and services that are required to be updated every five (5) years.

A person holding an owner's license **or a pari-mutuel pull tab license** shall submit annually to the commission a report that includes the total dollar value of contracts awarded for goods or services and the percentage awarded to minority and women's business enterprises.

(c) A person holding an owner's license **or a pari-mutuel pull tab license** shall make a good faith effort to meet the requirements of this section and shall annually demonstrate to the commission that an effort was made to meet the requirements.

(d) A person holding an owner's license **or a pari-mutuel pull tab license** may fulfill not more than seventy percent (70%) of an obligation under this chapter by requiring a vendor to set aside a part of a contract for minority or women's business enterprises. Upon request, the licensee shall provide the commission with proof of the amount of the set aside.

SECTION 67. IC 4-33-14-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. If the commission determines that the provisions of this chapter relating to expenditures and assignments to minority and women's business enterprises have not been met by a licensee, the commission may suspend, limit, or revoke the owner's license ~~or fine~~ **or the permit holder's pari-mutuel pull tab license**, or impose **a civil penalty or** appropriate conditions on the licensee to ensure that the goals for expenditures and assignments to minority and women's business enterprises are met. However, if a determination is made that a person holding an owner's license **or a pari-mutuel pull tab license** has failed to demonstrate compliance with this chapter, the person has ninety (90) days from the date of the determination of noncompliance to comply.

SECTION 68. IC 4-33-14-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The commission shall establish and administer a unified certification procedure for minority and women's business enterprises that do business with riverboat operations **and pari-mutuel pull tab operations** on contracts for goods and services or contracts for business.

SECTION 69. IC 4-33-14-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. The commission shall supply persons holding owner's licenses **or pari-mutuel pull tab licenses** with a list of the minority and women's business enterprises the commission has certified under section 7 of this chapter. The commission shall review the list annually to determine the minority and women's business enterprises that should continue to be certified. The commission shall establish a procedure for challenging the designation of a certified minority and women's business enterprise. The procedure must include proper notice and a hearing for all parties concerned.

SECTION 70. IC 4-33-14-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) This section applies to **the following:**

(1) A person holding an owner's ~~licenses~~ **license** for riverboats operated from a city described under IC 4-33-6-1(a)(1) through IC 4-33-6-1(a)(3).

(2) **A person holding a license to sell pari-mutuel pull tabs under IC 4-31-7.5.**

(b) The commission shall require persons holding owner's licenses to adopt policies concerning the preferential hiring of residents of the city in which the riverboat docks for riverboat jobs.

(c) **The commission shall require a person holding a pari-mutuel pull tab license to adopt policies concerning the preferential hiring of residents of the city or county in which the person has a pari-mutuel pull tab operation.**

SECTION 71. IC 4-33-14-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 11. The commission shall deposit civil penalties imposed under section 6 of this chapter in the minority and women business participation fund established by section 12 of this chapter.**

SECTION 72. IC 4-33-14-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 12. (a) The minority and women business participation fund is established to assist minority and women business enterprises. The fund shall be administered by the commission. The fund consists of fees collected under section 13 of this chapter and civil penalties imposed under section 6 of this chapter.**

(b) **The Indiana department of administration may use fees collected under section 13 of this chapter to hire employees to administer this chapter. The commission may use other money in the fund for the purposes of this chapter.**

(c) **The expenses of administering the fund shall be paid from money in the fund.**

(d) **The treasurer of state shall invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from those investments shall be deposited in the fund.**

(e) **Money in the fund at the end of a state fiscal year does not**

1 **revert to the state general fund.**

2 SECTION 73. IC 4-33-14-13 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2003]: **Sec. 13. The commission shall charge**
5 **an annual fee of ten thousand dollars (\$10,000) upon the following:**

6 (1) **Each licensed owner of a riverboat licensed under this**
7 **article.**

8 (2) **Each racetrack offering pari-mutuel pull tabs under**
9 **IC 4-31-7.5.**

10 (3) **Each satellite facility offering pari-mutuel pull tabs under**
11 **IC 4-31-7.5.**

12 **The fees collected under this section must be deposited into the**
13 **minority and women business participation fund."**

14 Page 106, between lines 14 and 15, begin a new paragraph and
15 insert:

16 "SECTION 74. IC 6-3-4-8.2, AS AMENDED BY P.L.192-2002(ss),
17 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2003]: Sec. 8.2. (a) Each person in Indiana who is required
19 under the Internal Revenue Code to withhold federal tax from winnings
20 shall deduct and retain adjusted gross income tax at the time and in the
21 amount described in withholding instructions issued by the department.

22 (b) In addition to amounts withheld under subsection (a), every
23 person engaged in a gambling operation (as defined in IC 4-33-2-10)
24 and making a payment in the course of the gambling operation (as
25 defined in IC 4-33-2-10) of:

26 (1) winnings (not reduced by the wager) valued at one thousand
27 two hundred dollars (\$1,200) or more from slot machine play; or

28 (2) winnings (reduced by the wager) valued at one thousand five
29 hundred dollars (\$1,500) or more from a keno game;

30 shall deduct and retain adjusted gross income tax at the time and in the
31 amount described in withholding instructions issued by the department.
32 The department's instructions must provide that amounts withheld shall
33 be paid to the department before the close of the business day following
34 the day the winnings are paid, actually or constructively. Slot machine
35 and keno winnings from a gambling operation (as defined in
36 IC 4-33-2-10) that are reportable for federal income tax purposes shall
37 be treated as subject to withholding under this section, even if federal
38 tax withholding is not required.

39 (c) The adjusted gross income tax due on prize money or prizes:

40 (1) received from a winning lottery ticket purchased under
41 IC 4-30; and

42 (2) exceeding one thousand two hundred dollars (\$1,200) in
43 value;

44 shall be deducted and retained at the time and in the amount described
45 in withholding instructions issued by the department, even if federal
46 withholding is not required.

47 (d) **In addition to the amounts withheld under subsection (a),**
48 **each person engaged in a pari-mutuel pull tab operation under**
49 **IC 4-31-7.5 making a payment in the course of the pull tab**
50 **operation of pull tab winnings valued at one thousand two hundred**

dollars (\$1,200) or more shall deduct and retain adjusted gross income tax at the time and in the amount described in withholding instructions issued by the department. The department's instructions must provide that amounts withheld shall be paid to the department before the close of the business day following the day the winnings are paid, actually or constructively. Pari-mutuel pull tab winnings are subject to withholding under this section even if the winnings are not reportable or subject to withholding for federal income tax purposes.

SECTION 75. IC 6-8.1-1-1, AS AMENDED BY P.L.192-2002(ss), SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. "Listed taxes" or "taxes" includes only the **pari-mutuel pull tab wagering tax (IC 4-31-7.6)**; pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the gross income tax (IC 6-2.1) (repealed); the utility receipts tax (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various county food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer."

Page 151, between lines 2 and 3, begin a new paragraph and insert:
"SECTION 76. IC 35-45-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. This chapter does not apply to the publication or broadcast of an advertisement, a list of prizes, or other information concerning:

- (1) pari-mutuel wagering on horse races or a lottery authorized by the law of any state; ~~or~~
- (2) a game of chance operated in accordance with IC 4-32; **or**
- (3) **a pari-mutuel pull tab game operated in accordance with IC 4-31-7.5.**

1 SECTION 77. IC 35-45-5-11 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2003]: **Sec. 11. This chapter does not apply**
 4 **to the sale of pari-mutuel pull tab tickets authorized by**
 5 **IC 4-31-7.5."**

6 Page 151, between lines 7 and 8, begin a new paragraph and insert:

7 "SECTION 78. [EFFECTIVE JULY 1, 2003] (a) **The Indiana**
 8 **gaming commission shall adopt the emergency rules required**
 9 **under IC 4-31-7.5-3, as added by this act, before January 1, 2004.**

10 **(b) This SECTION expires January 31, 2004.**

11 SECTION 79. [EFFECTIVE JULY 1, 2003] (a) **If the Indiana**
 12 **gaming commission determines that a permit holder has met the**
 13 **requirements of this act, the Indiana gaming commission shall**
 14 **adopt a resolution authorizing a permit holder to sell pari-mutuel**
 15 **pull tabs under IC 4-31-7.5, as added by this act. The commission**
 16 **may exercise any power necessary to implement this act under a**
 17 **resolution authorized under this SECTION.**

18 **(b) This SECTION expires December 31, 2003.**

19 SECTION 80. [EFFECTIVE JULY 1, 2003] (a) **If any provision of**
 20 **this act, as enacted or later amended, or its application to any**
 21 **person or circumstance is held invalid, the invalidity does not affect**
 22 **other provisions that can be given effect without the invalid**
 23 **provision or application.**

24 **(b) Each part and application of every statute set forth in this**
 25 **act is severable. If any provision or application of any part of the**
 26 **act is held invalid, the invalidity does not affect the remainder of**
 27 **the act unless:**

28 **(1) the remainder is so essentially and inseparably connected**
 29 **with and so dependent upon the invalid provision or**
 30 **application that it cannot be presumed that the remainder**
 31 **would have been enacted without the invalid provision or**
 32 **application; or**

33 **(2) the remainder is incomplete and incapable of being**
 34 **executed in accordance with the legislative intent without the**
 35 **invalid provision or application.**

36 SECTION 81. [EFFECTIVE JULY 1, 2003] **The allowed cities (as**
 37 **defined in IC 4-31-2-1.5, as added by this act) are presented with**
 38 **unique challenges with regard to:**

39 **(1) the delivery, affordability, availability, and need for:**

40 **(A) housing;**

41 **(B) infrastructure;**

42 **(C) transportation;**

43 **(D) educational opportunities; and**

44 **(E) economic development for;**

45 **the residents of the allowed cities;**

46 **(2) the inability of the allowed cities to derive significant**
 47 **economic benefits, including employment and investment**
 48 **opportunities, from the presence of casino gaming operations**
 49 **because of the distance between the cities and Indiana's casino**
 50 **gaming operations; and**

1 **(3) the large number of exempt properties, the urban**
2 **character of the community, the demands placed on the cities'**
3 **assets by commuters, tourists, and business visitors, and the**
4 **age of many of the cities' systems and facilities."**

5 Renumber all SECTIONS consecutively.
 (Reference is to EHB 1001 as printed April 1, 2003.)

Senator LANANE